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Ventura County Transportation Commission: Keith Millhouse, Moorpark

11.14.06

SPECIAL JOINT MEETING OF THE

POLICY COMMITTEES & REGIONAL COUNCIL

RTP WORKSHOP

Thursday, March 1, 2007

10:45 a.m. – 12:15 p.m.

SCAG Offices

818 West 7th Street, 12th Floor
Conference Room San Bernardino
Los Angeles, CA 90017
213.236.1800

Items For Discussion Only

1. Introduction

Rich Macias, SCAG Staff

2. Brief Summary of 2004 RTP and Key Changes

Tarek Hatata, System Metrics

3. Transportation Finance – Laying out the Foundation for Innovative Finance

Dr. Brian Taylor, UCLA

4. Examples of Innovative Financing Strategies


James Martling, Sperry Capital

5. Discussion

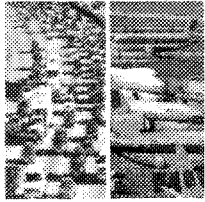
Tarek Hatata, System Metrics

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SOUTHERN CALIFORNIA

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**Resolving
Regional
Challenges**


**What is the
purpose of this
workshop?**


- We are on our way to developing the next RTP
- We are facing many challenges that we need to communicate to you and seek guidance from you
- We are doing things a bit differently this time with **FINANCE**


Southern California ASSOCIATION OF GOVERNMENTS

**What is the
purpose of this
workshop?**


- All of us have heard a lot about "innovative financing", "public private partnerships"
- Today, our speakers will try and clarify these and other terms and engage you in policy related discussions
- We do not need final decisions from you today, but we want your feedback!


Southern California ASSOCIATION OF GOVERNMENTS

**What is the
purpose of this
workshop?**

Today's agenda:

- Brief Summary of 2004 RTP and Key Changes
- Transportation Finance – Laying out the foundation for Innovative Finance
- Examples of Innovative Financing Strategies
- Discussion

Our speakers:

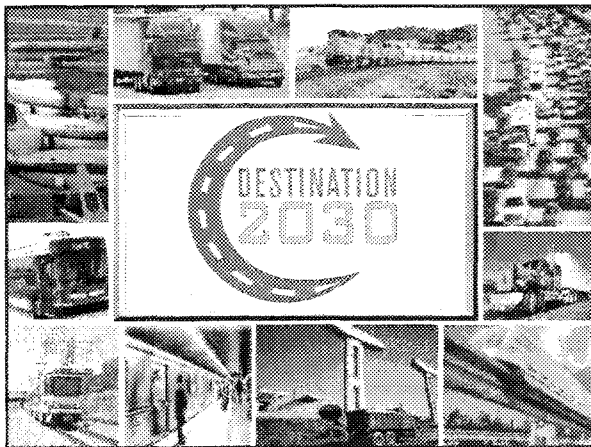
- Dr. Brian Taylor (UCLA)
- James Martling (Sperry Capital)
- Tarek Hatata (System Metrics Group)

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How will the next RTP differ from the 2004 RTP?

- A quick refresher on the financial component of the 2004 RTP
- What has changed since the adoption of the 2004 RTP?
- What can you expect in the next RTP?

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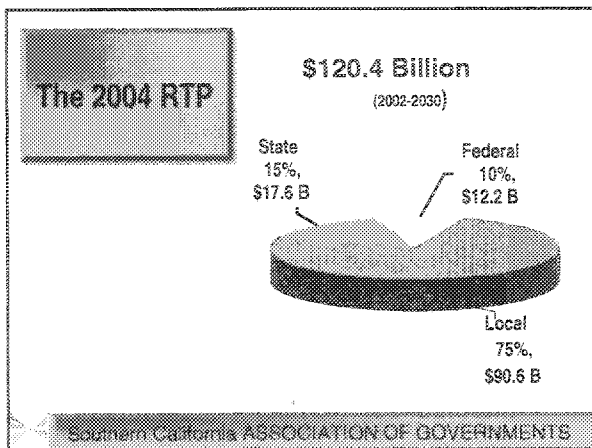


The 2004 RTP

- Despite the ever increasing share of local funding sources, the base revenues were barely enough to meet funding commitments.


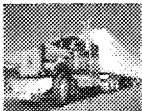
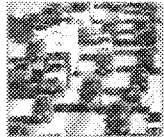
County	Baseline Revenues*	Committed Expenses	Net Balance
Imperial	\$1.05	\$0.80	\$0.25
Los Angeles	\$79.01	\$81.69	(\$2.68)
Orange	\$20.50	\$15.80	\$4.70
Riverside	\$12.09	\$6.03	\$6.06
San Bernardino	\$8.09	\$10.92	(\$2.83)
Ventura	\$2.70	\$2.46	\$0.24
Regional Total	\$123.45	\$117.62	\$5.83

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The 2004 RTP

•The baseline funding alone could not address the federal requirements, nor address the serious transportation challenges facing the Region.

Population Growth

Container Trade Growth

Increasing Congestion

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The 2004 RTP

• Innovative and aggressive strategies were developed and adopted:

Public Funding \$31B
Local Transportation Sales Taxes
Maximize Motor Vehicles Fuel User Fee Revenue
Development Mitigation Fee

Private/Other Funding \$62B
HOT lanes
User-Fee-Supported Regional Investments
Public-Private Partnerships

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What has changed since the adoption of the 2004 RTP?

\$\$\$\$\$

- The funding picture has improved to some extent:
 - Voters approved sales taxes for transportation in San Bernardino, Riverside, and Orange counties
 - Prop 42 funding is more secure
 - I-Bond funding will provide additional near term funding for congestion relief, goods movement, and environmental mitigation
- In the 2008 RTP, expect to see:
 - Higher public funding levels for multi modal investments compared to the 2004 RTP

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What has changed since the adoption of the 2004 RTP?

- Unfortunately, the costs for transportation projects has outpaced the revenue increases (e.g., due to commodity price increases)

	2001	Current Estimate	Diff.
I-10 Carpool Lanes	\$441.7	\$781.3	\$339.6
I-405 Carpool Lanes	\$152.7	\$205.9	\$53.2
I-5 Carpool Lanes	\$425.5	\$867.6	\$442.1

- Additional air quality requirements (e.g., PM 2.5) have been legislated
- SAEFTEA-LU requires more detail to demonstrate RTP fiscal constraint

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What can you expect in the next RTP?

- Significantly more detail in the finance plan, especially in the private/other funding component
- Business plans to demonstrate that these projects can be implemented in the time frames defined
- Along the way, you will likely face tough choices to meet air quality attainment requirements.

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Putting Transportation Finance in Context: *How We Got Here, and Where We are Headed*

A Presentation to the Southern California
Association of Governments
1 March 2007

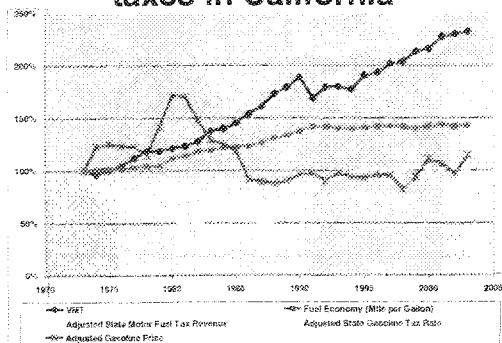
Brian D. Taylor, PhD, AICP

Overview

- Transportation finance system
widely perceived as in crisis

Brian D. Taylor, PhD, AICP

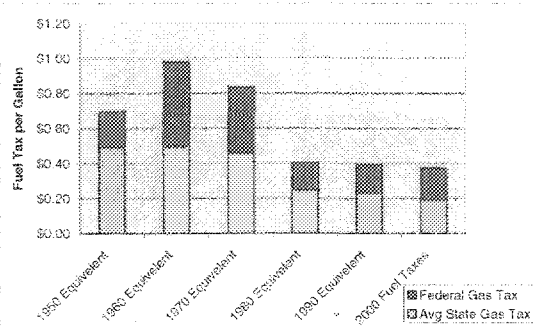
Indexed trends in travel and fuel taxes in California



Source: System Metrics Group

Brian D. Taylor, PhD, AICP

Changes in Per Gallon Fuel Taxes Required in 2000 to Restore Inflation-Adjusted Revenues per Vehicle Mile of Travel to Level of Prior Years



Brian D. Taylor, PhD, AICP

Overview

- Transportation finance system widely perceived as in crisis
- More openness to innovations in transportation finance today than in years past

Brian D. Taylor, PhD, AICP

Overview

- Some approaches, like bonds and sales taxes, shift transportation finance away from user fees and toward general instruments of taxation
- And, in doing so, make transportation part and parcel of broader, often partisan, debates over taxation and public finance

Brian D. Taylor, PhD, AICP

Overview

- Other approaches focus on new ways to collect and target user fees
- Turn to new forms of user fees enabled by new electronic tolling technologies, and target their use to increase their popularity

Brian D. Taylor, PhD, AICP

Overview

- What does the future hold?
 - More borrowing and general tax revenues for transportation?
 - Increasingly targeted, electronically collected user fees?
 - A bit of everything?
- To look forward it sometimes helps to look back

Brian D. Taylor, PhD, AICP

How did we get here? 4 eras

- Establishing Roles and Principles (1920-1945)
- Mass Production of Highways (1945-1970)
- Fiscal Retrenchment/Rise of Multimodalism (1970-1990)
- Era of Ad Hoc Projects and Finance (1990-2010)
 - User fee logic erodes in favor of bonds and increasingly local general taxes
 - Rise of voter-approved project funding and earmaking
 - Increasing planning authority and funding responsibility at the regional level

Brian D. Taylor, PhD, AICP

Premise:

***Four fundamental questions
about transportation finance
have and still underlie nearly
all transportation policy
debates***

Brian D. Taylor, PhD, AIOP

Four basic questions

- *Who* should pay for transportation?
- *How* should they pay?
- *Where* should funds be expended?
- *What* systems, modes, or projects should receive priority?

Brian D. Taylor, PhD, AIOP

Fundamental Questions: *Who?*

- Should transportation system users pay fees to travel?
- Or should everyone pay for transportation systems through general instruments of taxation?
- Should people pay for transportation systems based on ability to pay? Benefits received? Costs imposed?

Brian D. Taylor, PhD, AIOP

Fundamental Questions: *How?*

- If users are to pay...
 - Should we levy bridge tolls, transit fares, fuel taxes, or roadway tolls?
 - Should such fees be relatively static, or vary with respect to congestion, emissions, axle weights, etc.?
- If everyone is to pay...
 - Should it be from income, sales, property, or other taxes?
 - Should we borrow the money now and put off decisions over how to retire the debt?

Brian D. Taylor, PhD, AICP

Fundamental Questions: *Where?*

- Should transportation taxes and fees collected in one jurisdiction be spent in other places?
 - If so, on what basis should the funds be geographically redistributed?
 - From have-nots to haves?
 - If not, what is the rationale for a federal (or, for that matter, state) finance program?
 - Why not finance everything locally?

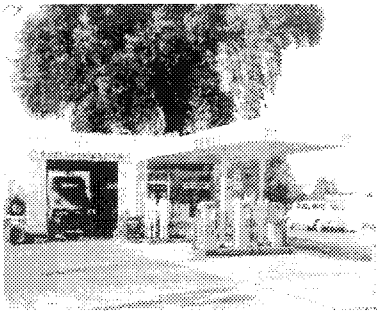
Brian D. Taylor, PhD, AICP

Fundamental Questions: *What?*

- Should streets and highways receive priority because they are so heavily used?
- Or should public transit and bicycling receive priority to create more environmentally-friendly travel alternatives?
- Should we focus on the movement of people and leave goods movement largely to the private sector?
- Or should we focus on the movement of goods to mitigate externalities and facilitate commerce?

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Fuel taxes, sales taxes, tolls...



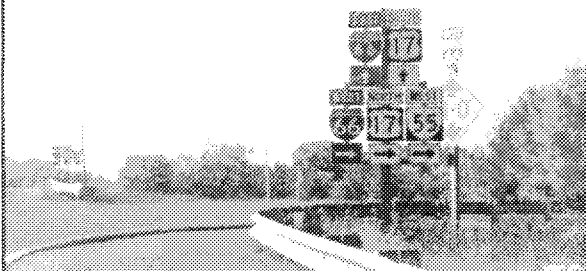
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User Fees and General Taxes in Transportation Finance

	Expenditures: <i>Transportation Purposes</i>	Expenditures: <i>Non- Transportation Purposes</i>
Revenues: <i>Transportation Sources</i>	Transportation User Fees <ul style="list-style-type: none"> • Motor fuel taxes for highways and transit • Transit fares • Bridge tolls to retire bonds 	Transportation Taxes for General Purposes <ul style="list-style-type: none"> • Fuel taxes for deficit reduction • Parking meter revenue to fund libraries
Revenues: <i>Non- Transportation Sources</i>	General Taxes for Transportation <ul style="list-style-type: none"> • Sales taxes dedicated to transportation • General obligation bonds for transportation 	General Taxes for General Purposes <ul style="list-style-type: none"> • Income taxes for education, welfare, and national defense

Brian D. Taylor, PhD, AICP

Transportation Finance at a Crossroads: *Which Way Do We Go?*



Three Future Scenarios

1. *Allow gas tax to wither, accelerate shift towards general tax revenues for transportation*
 - Fees disconnected from use
 - Trend towards *ad hoc*, project-based transportation planning
 - Declining federal role
- *Yet many of the 8-decade-old arguments for avoiding general taxes and bond finance for transportation still hold today*

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Transportation sales taxes: The pros

- A politically popular way to raise money
- Enacted by voters, they are a form of direct democracy
- Tend to keep the revenue at home
- Often linked to projects, they tend to fund projects favored by voters
- Are relatively easy to administer
- Are dedicated to transportation
- Can raise a lot of revenue relatively quickly

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Transportation sales taxes: The cons

- One-time actions/fixed-terms make them unreliable and inhibit long-range planning
- Links to specific projects makes it difficult to adapt to changing circumstances
- Geographic restrictions can keep money from going to most needed projects
- Most popular projects are often not the most effective projects
- Sales taxes are doubly regressive
- No link to system use: user fee principle is lost

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Bonds for transportation: The pros

- Most politically palatable
- Often justified for large, "lumpy" investments with long useful lives
- Allow rapid acceleration of needed projects
- Tax-exempt status lowers financing costs
- Obligations guarantee future expenditures on transportation

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Bonds for transportation: The cons

- An expensive way to avoid make tough choices
- Transportation expenditures less "lumpy," which undermines borrowing logic
- May weaken our financial position in the future
- May ultimately build less, albeit more quickly
- Will compete with other governmental programs for revenues in the coming years
- May weaken fiscal discipline by funding popular, ineffective projects
- General obligation bonds unrelated to system use: User fee principle lost

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Three Future Scenarios

2. Summon political will to increase fuels tax

- Perhaps sufficient for a couple of decades
 - Would need to be revisited with rise of alternative fuel vehicles
 - Regional taxes possible, but a very tough road to hoe politically
- *Won't help manage congestion and regular increases in levy to keep pace with inflation, travel is a tough political hurdle – no state has done it*

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Fuel tax increase: The pros

- Fuel taxes are an established revenue-raising method
- Widespread support for new transportation investments makes this a good time to seek an increase
- Raising the levy is administratively simple
- Raising the fuel tax encourages increased fuel efficiency
- Indexing could eliminate the need for frequent increases
- Fuel taxes have long been viewed as fair

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Fuel Tax Increase: The cons

- Voters generally prefer sales tax increases and borrowing
- Recent increases in fuel taxes make this the wrong time to seek an increase
- Revenues can slip as fuel efficiency increases
- Per gallon levy requires regular, unpopular increases to keep pace with costs and travel
- Fuel taxes disproportionately burden poor drivers

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Three Future Scenarios

3. *Shift to electronic tolling as inevitable successor to the fuels tax sooner rather than later*

- Viable over the long term, regardless of fuel type / economy
- Reinvigorates user-pays principle, opens the door to many innovative pricing strategies
- Inevitable clashes with various interest groups favored under current system
- *Increasing number of successful experiments, but much political wariness remains*

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Variable tolls/fares: The pros

- Variable pricing can influence system performance more than system use
- Can greatly increase system efficiency thereby reduce "needs"
- Linking prices paid by travelers to the costs they impose is inherently fair
- Variable tolls/fares more "progressive" than fuel or, especially, sales taxes
- Privacy concerns can be addressed
- Voter/motorist opposition tends to fade with exposure to tolling
- New technologies make variable tolls/fares much easier to implement
- Can substantially reduce environmental impacts

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Variable tolls/fares: The cons

- Some forms of tolling raise privacy concerns
- Many direct user fees are unfamiliar, raising suspicions among voters and elected officials
- Variable tolls/fares raise more equity concerns than other forms of finance
- Tolls are politically difficult to enact
- Some see variable tolls as double taxation
- Implementing variable tolls/fares are substantially more complex to implement than other forms of finance
- Because they are variable, there is no guarantee that tolls/fares will be set to improve system performance, equity, or environmental impacts

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But Isn't Pricing Just Social Engineering?

- Public Policy Always Prices Transportation
 - Any transportation finance system (even one that is *free* to travelers) prices travel and influences travel decisions accordingly
- Thus "needs" cannot be considered apart from how transportation is priced
 - Though many public officials insist on treating the demand for travel as if it were unrelated to the price of travel

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But what about public-private partnerships?

- Much confusion here
- Not a revenue-generating technique *per se*
- A philosophical and managerial decision regarding the division responsibility between the public and private sectors
 - Private provision
 - Public provision
 - Joint public/private provision

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Not a revenue-generating technique *per se*

- A philosophical and managerial decision regarding the division responsibility between the public and private sectors
 - Private provision
 - Public provision
 - Joint public/private provision
- Thus, philosophical and managerial choices – *and not fiscal exigency* – should guide the choice over the appropriate public and private roles in transportation

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But what about public-private partnerships?

- Why does government get involved in transportation at all?
 - Why not leave it all to the private sector?
- Three principal reasons
 - Public goods
 - Market failures
 - Redistribution

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Public goods

- Markets do a poor job of providing "public goods" (like national defense and immunization programs)
- While sidewalks come close to classical public goods, many types of transportation do not
- Consider freeways and public transit
 - Access to them can be limited
 - Consumption of them can affect others (i.e. congestion)
 - People can be charged directly for and proportionally their use
 - Economists consider them quasi-public, or "club goods"

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Public goods

- Consider freeways and public transit
 - Access to them can be limited
 - Consumption of them can affect others (i.e. congestion)
 - People can be charged directly for and proportionally their use
 - Economists consider them quasi-public, or "club goods"
- So whether public or private or public/private provision is the way to go is a philosophical and managerial decision

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Market failures

- While many of the costs of travel (vehicles, fuel, insurance, etc.) are paid by travelers, many are not
 - Delay imposed on others
 - Vehicle emissions
 - Noise
 - And so on
- Government can correct for the failure of markets to account for these costs in a variety of ways
 - Regulations (safety, emissions, etc.)
 - Taxes and fees motivate users to drive cleaner cars, at less congested times, etc.

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Redistribution

- While markets can be extraordinarily efficient, they creates winners and losers
 - While civil society sheds few tears for an entrepreneur who loses his shirt
 - There is more concern for those left behind because of age, disability, or other factors beyond their control
- So one of the principal rationales for the public subsidy of transit systems is to provide mobility for those without access to automobiles

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Redistribution

- While markets can be extraordinarily efficient, they creates winners and losers
 - While civil society sheds few tears for an entrepreneur who loses his shirt
 - There is more concern for those left behind because of age, disability, or other factors beyond their control
- One of the principal rationales for the public subsidy of transit systems is to provide mobility for those without access to automobiles
 - But "user-side" subsidies (such as taxi vouchers) can help those left behind without direct public provision of transit

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Transportation revenues are generated in two ways

- Consumers or firms choose to purchase goods and services through markets
 - Purchase a car
 - Ride on a bus
 - Choose to pay for uncongested travel on a private toll road
 - It's the sale of the good or service -- and not the public/private partnership -- that generates the revenue

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Transportation revenues are generated in two ways

- Consumers or firms choose to purchase goods and services through markets
- When taxes or fees are assessed on some group of people or firms
 - Property tax revenues to a private contractor to re-pave local streets
 - Fuel tax revenues to a public agency to design a new highway
 - Sales tax revenues to a private firm to operate transit services under a contract with a public entity

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Transportation revenues are generated in two ways

- Consumers or firms choose to purchase goods and services through markets
- When taxes or fees are assessed on some group of people or firms
- It's the sale of goods/services or taxation that generates the revenues
 - Not the public/private partnerships in and of themselves
 - PPPs are instead a means to an end

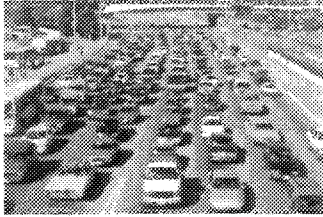
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Which way to go?

- There are many sound arguments for (1) borrowing to pay for transportation facilities and (2) increasing the private role in transportation provision
 - But it's important to keep in mind that neither of these approaches actually generates revenues for transportation
 - They are better seen as *strategies* for financing and managing projects

Brian D. Taylor, PhD, AICP

Thank You



Questions? Comments?

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Brian D. Taylor, PhD, AICP

Innovative Financing Examples

Innovative financing is based on identifying new revenue sources such as:

✓Tots

- Congestion Management: 81 Express Lanes
- New Project: RCTC's Proposed I-15 Express Lanes
- New "Greenfield": Unlikely in most of the region...

- ✓ Container fees

- Truck lanes from San Pedro Ports to inland Empire
 - I-710 truck lanes Phase 1
- Regional Rail Expansion and Grade Separation Project

✓ Vehicle Miles Traveled (VMT) fees

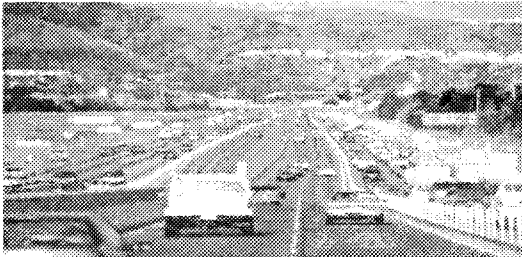
- Oregon DOT has pilot program

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Innovative Financing Examples

91 Express Lanes Example

**91 Express Lanes Eastbound
Peak on Thursday afternoon**



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Innovative Financing Examples

91 Express Lanes Example

Toile; Congestion Management; Current Toll Schedule

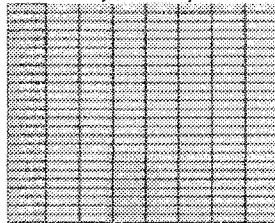
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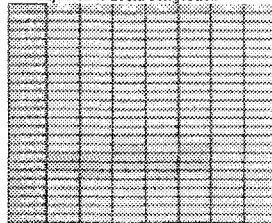
91 Express Lanes Example

Tolls; Congestion Management; Only 14 hours adjusted of a total of 336 hours...

Westbound - Annual COLA
adjustments only



Eastbound – Annual inflation adjustments and 14 hours adjusted to avoid congestion

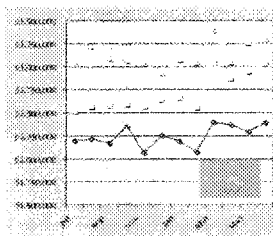


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91 Express Lanes Example

**Tolls; Congestion Management;
Fiscal YTD Performance**

91 Express Lanes Monthly Revenue



Revenues are up 8.7%
over last year Fiscal
YTD*

Revenues are up 2.1%
over Vollmer 2003
Forecast Fiscal YTD*

Vollmer 2003 Forecast

FY 2007	+9%
FY 2008	+8%
FY 2009	+8%

^a As of January 31, 2007.

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Innovative Financing Examples

New Project – RCTC Express Lanes Example

- Many California self-help county transportation agencies project funding gaps and believe that tolls or "user fees" can significantly accelerate project delivery.

RCTC has stated:

- ✓ "While the new projections indicate a healthy, growing economy, Measure A will not be sufficient to fund priority projects in the first 10 years of the 2009 Measure A (FY 2010-2019). As originally projected in the Measure A expenditure plan, state and federal funding will be needed and even then, revenues will likely fall short. Other options could be through the creation of new taxes such as a toll road."
- ✓ "In a best case scenario, toll roads offer the promise of providing additional transportation capacity that can be financed through their own private revenue stream."

¹ RCTC December 13, 2006 "Work effort of 10-Year Delivery Plan for Western Riverside County Sewerage & Potable Water Program"

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Innovative Financing Examples


New Project – RCTC Express Lanes Example

- ✓ "The Measure A expenditure plan approved by the voters in November 2002 provides funding for a wide variety of local streets and road projects, regional arterials, specialized transit and rail projects and commuter services. The voter approved plan originally allocated \$1.02 billion for improvements to state highways in Western Riverside County and specifically mentions that the Measure A dollars needed to cover the program would provide less than half of the money needed to complete the projects."
- ✓ "Shortly after Measure A was approved, construction costs for major projects have skyrocketed along with the cost of real estate in Riverside County...Commission staff believes that the true cost of implementing the state highway projects included in the Measure A program now exceeds \$4.5 billion."

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Innovative Financing Examples

New Project – RCTC Express Lanes Example

- ✓ Public/Private Financing and Delivery Plan Ad Hoc Committee and Staff Recommendation 12/13/06 :
 - 6) Adopt as a priority, the construction of two tolled express lanes in each direction on the I-15 
 - 7) Seek legislative approval for toll facilities on the I-15
- ✓ Will tolling accelerate RCTC's I-15 project delivery?
 - "Compared to a pay go strategy, the I-15 project could be accelerated 10 to 20 years with tolls" RCTC Staff

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Innovative Financing Examples

Potential Strategy – Container Fee Example for Truckways

- ✓ Reasonable truck tolls alone are insufficient to finance proposed Phase 1 I-710 truckways ...
- ✓ Container fees (similar to ACTA) are needed to supplement truck tolls
 - Revenue projections of a container charge for all TEUs generates substantial cash flow
 - Container charge for all TEUs mitigates financial risk of start-up truckways toll road
 - Container fees could be assessed before truckways construction in order to create equity and pay for start-up costs and interest during construction
 - The San Pedro Ports enjoy significant advantages over rivals
 - Shippers ultimately understand that time equals money

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**Potential Strategy – Container Fee
Example for Regional Rail Expansion
and Grade Separation Project**

- Container fees (similar to ACAT) are needed to supplement local funds, tax-exempt financing, State grants, Federal financial support
 - Revenue projections of a container charge for all TEUs generates substantial cash flow
 - The Regional Rail Expansion and Grade Separation Project requires a complex set of revenue streams, grants and Federal guarantees; container fees are critical in order to fill projected as well as unforeseen funding gaps
 - The San Pedro Ports enjoy significant advantages over rivals
 - Shippers ultimately understand that time equals money

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Innovative Financing Needs Innovative Procurement Options

- ✓ **Public Private Partnerships (PPPs) are an innovative procurement and management option. Examples of PPPs in California are:**
 - **Alameda Corridor**
 - **91 Express Lanes**
 - **Privately designed, built, financed and operated from 1995 to 2003 by private sector; purchased by OCTA in 2003 and currently operated by private sector pursuant to 5 year operating contract**
 - **SR 125 South Bay Expressway**
 - **11 mile toll road in San Diego; Macquarie has 35 year franchise**
- ✓ **PPPs in the future?**
 - **Legislature approved AB 1467 last year for goods movement PPPs**
 - **Administration supports PPPs legislative amendments to allow for mobility projects**

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Potential Strategy – Container Fees Available for Board Variety of Project Requirements

Actual		2009-2011		Actual		2009-2011	
	Value		Value		Value		Value
242001	1.4	242002	1.4	242003	1.4	242004	1.4
242005	1.4	242006	1.4	242007	1.4	242008	1.4
242009	1.4	242010	1.4	242011	1.4	242012	1.4
242013	1.4	242014	1.4	242015	1.4	242016	1.4
242017	1.4	242018	1.4	242019	1.4	242020	1.4
242021	1.4	242022	1.4	242023	1.4	242024	1.4
242025	1.4	242026	1.4	242027	1.4	242028	1.4
242029	1.4	242030	1.4	242031	1.4	242032	1.4
242033	1.4	242034	1.4	242035	1.4	242036	1.4
242037	1.4	242038	1.4	242039	1.4	242040	1.4
242041	1.4	242042	1.4	242043	1.4	242044	1.4
242045	1.4	242046	1.4	242047	1.4	242048	1.4
242049	1.4	242050	1.4	242051	1.4	242052	1.4
242053	1.4	242054	1.4	242055	1.4	242056	1.4
242057	1.4	242058	1.4	242059	1.4	242060	1.4
242061	1.4	242062	1.4	242063	1.4	242064	1.4
242065	1.4	242066	1.4	242067	1.4	242068	1.4
242069	1.4	242070	1.4	242071	1.4	242072	1.4
242073	1.4	242074	1.4	242075	1.4	242076	1.4
242077	1.4	242078	1.4	242079	1.4	242080	1.4
242081	1.4	242082	1.4	242083	1.4	242084	1.4
242085	1.4	242086	1.4	242087	1.4	242088	1.4
242089	1.4	242090	1.4	242091	1.4	242092	1.4
242093	1.4	242094	1.4	242095	1.4	242096	1.4
242097	1.4	242098	1.4	242099	1.4	242100	1.4
242101	1.4	242102	1.4	242103	1.4	242104	1.4
242105	1.4	242106	1.4	242107	1.4	242108	1.4
242109	1.4	242110	1.4	242111	1.4	242112	1.4
242113	1.4	242114	1.4	242115	1.4	242116	1.4
242117	1.4	242118	1.4	242119	1.4	242120	1.4
242121	1.4	242122	1.4	242123	1.4	242124	1.4
242125	1.4	242126	1.4	242127	1.4	242128	1.4
242129	1.4	242130	1.4	242131	1.4	242132	1.4
242133	1.4	242134	1.4	242135	1.4	242136	1.4
242137	1.4	242138	1.4	242139	1.4	242140	1.4
242141	1.4	242142	1.4	242143	1.4	242144	1.4
242145	1.4	242146	1.4	242147	1.4	242148	1.4
242149	1.4	242150	1.4	242151	1.4	242152	1.4
242153	1.4	242154	1.4	242155	1.4	242156	1.4
242157	1.4	242158	1.4	242159	1.4	242160	1.4
242161	1.4	242162	1.4	242163	1.4	242164	1.4
242165	1.4	242166	1.4	242167	1.4	242168	1.4
242169	1.4	242170	1.4	242171	1.4	242172	1.4
242173	1.4	242174	1.4	242175	1.4	242176	1.4
242177	1.4	242178	1.4	242179	1.4	242180	1.4
242181	1.4	242182	1.4	242183	1.4	242184	1.4
242185	1.4	242186	1.4	242187	1.4	242188	1.4
242189	1.4	242190	1.4	242191	1.4	242192	1.4
242193	1.4	242194	1.4	242195	1.4	242196	1.4
242197	1.4	242198	1.4	242199	1.4	242200	1.4
242201	1.4	242202	1.4	242203	1.4	242204	1.4
242205	1.4	242206	1.4	242207	1.4	242208	1.4
242209	1.4	242210	1.4	242211	1.4	242212	1.4
242213	1.4	242214	1.4	242215	1.4	242216	1.4
242217	1.4	242218	1.4	242219	1.4	242220	1.4
242221	1.4	242222	1.4	242223	1.4	242224	1.4
242225	1.4	242226	1.4	242227	1.4	242228	1.4
242229	1.4	242230	1.4	242231	1.4	242232	1.4
242233	1.4	242234	1.4	242235	1.4	242236	1.4
242237	1.4	242238	1.4	242239	1.4	242240	1.4
242241	1.4	242242	1.4	242243	1.4	242244	1.4
242245	1.4	242246	1.4	242247	1.4	242248	1.4
242249	1.4	242250	1.4	242251	1.4	242252	1.4
242253	1.4	242254	1.4	242255	1.4	242256	1.4
242257	1.4	242258	1.4	242259	1.4	242260	1.4
242261	1.4	242262	1.4	242263	1.4	242264	1.4
242265	1.4	242266	1.4	242267	1.4	242268	1.4
242269	1.4	242270	1.4	242271	1.4	242272	1.4
242273	1.4	242274	1.4	242275	1.4	242276	1.4
242277	1.4	242278	1.4	242279	1.4	242280	1.4
242281	1.4	242282	1.4	242283	1.4	242284	1.4
242285	1.4	242286	1.4	242287	1.4	242288	1.4
242289	1.4	242290	1.4	242291	1.4	242292	1.4
242293	1.4	242294	1.4	242295	1.4	242296	1.4
242297	1.4	242298	1.4	242299	1.4	242300	1.4
242301	1.4	242302	1.4	242303	1.4	242304	1.4
242305	1.4	242306	1.4	242307	1.4	242308	1.4
242309	1.4	242310	1.4	242311	1.4	242312	1.4
242313	1.4	242314	1.4	242315	1.4	242316	1.4
242317	1.4	242318	1.4	242319	1.4	242320	1.4
242321	1.4	242322	1.4	242323	1.4	242324	1.4
242325	1.4	242326	1.4	242327	1.4	242328	1.4
242329	1.4	242330	1.4	242331	1.4	242332	1.4
242333	1.4	242334	1.4	242335	1.4	242336	1.4
242337	1.4	242338	1.4	242339	1.4	242340	1.4
242341	1.4	242342	1.4	242343	1.4	242344	1.4
242345	1.4	242346	1.4	242347	1.4	242348	1.4
242349	1.4	242350	1.4	242351	1.4	242352	1.4
242353	1.4	242354	1.4	242355	1.4	242356	1.4
242357	1.4	242358	1.4	242359	1.4	242360	1.4
242361	1.4	242362	1.4	242363	1.4	242364	1.4
242365	1.4	242366	1.4	242367	1.4	242368	1.4
242369	1.4	242370	1.4	242371	1.4	242372	1.4
242373	1.4	242374	1.4	242375	1.4	242376	1.4
242377	1.4	242378	1.4	242379	1.4	242380	1.4
242381	1.4	242382	1.4	242383	1.4	242384	1.4
242385	1.4	242386	1.4	242387	1.4	242388	1.4
242389	1.4	242390	1.4	242391	1.4	242392	1.4
242393	1.4	242394	1.4	242395	1.4	242396	1.4
242397	1.4	242398	1.4	242399	1.4	242400	1.4
242401	1.4	242402	1.4	242403	1.4	242404	1.4
242405	1.4	242406	1.4	242407	1.4	242408	1.4
242409	1.4	242410	1.4	242411	1.4	242412	1.4
242413	1.4	242414	1.4	242415	1.4	242416	1.4
242417	1.4	242418	1.4	242419	1.4	242420	1.4
242421	1.4	242422	1.4	242423	1.4	242424	1.4
242425	1.4	242426	1.4	242427	1.4	242428	1.4
242429	1.4	242430	1.4	242431	1.4	242432	1.4
242433	1.4	242434	1.4	242435	1.4	242436	1.4
242437	1.4	242438	1.4	242439	1.4	242440	1.4
242441	1.4	242442	1.4	242443	1.4	242444	1.4
242445	1.4	242446	1.4	242447	1.4	242448	1.4
242449	1.4	242450	1.4	242451	1.4	242452	1.4
242453	1.4	242454	1.4	242455	1.4	242456	1.4
242457	1.4	242458	1.4	242459	1.4	242460	1.4
242461	1.4	242462	1.4	242463	1.4	242464	1.4
242465	1.4	242466	1.4	242467	1.4	242468	1.4
242469	1.4	242470	1.4	242471	1.4	242472	1.4
242473	1.4	242474	1.4	242475	1.4	242476	1.4
242477	1.4	242478	1.4	242479	1.4	242480	1.4
242481	1.4	242482	1.4	242483	1.4	242484	1.4
242485	1.4	242486	1.4	242487	1.4	242488	1.4
242489	1.4	242490	1.4	242491	1.4	242492	1.4
242493	1.4	242494	1.4	242495	1.4	242496	1.4
242497	1.4	242498	1.4	242499	1.4	242500	1.4
242501	1.4	242502	1.4	242503	1.4	242504	1.4
242505	1.4	242506	1.4	242507	1.4	242508	1.4
242509	1.4	242510	1.4	242511	1.4	242512	1.4
242513	1.4	242514	1.4	242515	1.4	242516	1.4
242517	1.4	242518	1.4	242519	1.4	242520	1.4
242521	1.4	242522	1.4	242523	1.4	242524	1.4
242525	1.4	242526	1.4	242527	1.4	242528	1.4
242529	1.4	242530	1.4	242531	1.4	242532	1.4
242533	1.4	242534	1.4	242535	1.4	242536	1.4
242537	1.4	242538	1.4	242539	1.4	242540	1.4
242541	1.4	242542	1.4	242543	1.4	242544	1.4
242545	1.4	242546	1.4	242547	1.4	242548	1.4
242549	1.4	242550	1.4	242551	1.4	242552	1.4
242553	1.4	242554	1.4	242555	1.4	242556	1.4
242557	1.4	242558	1.4	242559	1.4	242560	1.4
242561	1.4	242562	1.4	242563	1.4	242564	1.4
242565	1.4	242566	1.4	242567	1.4	242568	1.4
242569	1.4	242570	1.4	242571	1.4	242572	1.4
242573	1.4	242574	1.4	242575	1.4	242576	1.4
242577	1.4	242578	1.4	242579	1.4	242580	1.4
242581	1.4	242582	1.4	242583	1.4	242584	1.4
242585	1.4	242586	1.4	242587	1.4	242588	1.4
242589	1.4	242590	1.4	242591	1.4	242592	1.4
242593	1.4	242594	1.4	242595	1.4	242596	1.4
242597	1.4	242598	1.4	242599	1.4	242600	1.4
242601	1.4	242602	1.4	242603	1.4	242604	1.4
242605	1.4	242606	1.4	242607	1.4	242608	1.4
242609	1.4	242610	1.4	242611	1.4	242612	1.4
242613	1.4	242614	1.4				

Congestion relief makes San Pedro Ports more attractive; Professor Leachman's 2006 study calculated price inelasticity at ~\$200 per

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**Innovative
Financing
Examples**

Potential Strategy – VMT Tax Example

- ✓ Problem Statement: Fuel tax is dependent on consumption of fuel. In the next 10 years, fuel economy of new vehicles is expected to dramatically improve. On a per vehicle mile basis, this will cause fuel taxes to plummet.
- ✓ Oregon DOT asked to design a revenue collection strategy that can effectively replace fuel's tax in order to provide long-term, stable source of funding for maintenance and improvement of Oregon roads.
- ✓ Oregon calculated that fuel tax revenue in "cents per vehicle-mile traveled" (in real terms) had declined by half since 1970.
- ✓ Oregon is analyzing VMT Fees: Revenue Sufficiency
Transparency to the Public
Enforceability
Public Acceptance

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